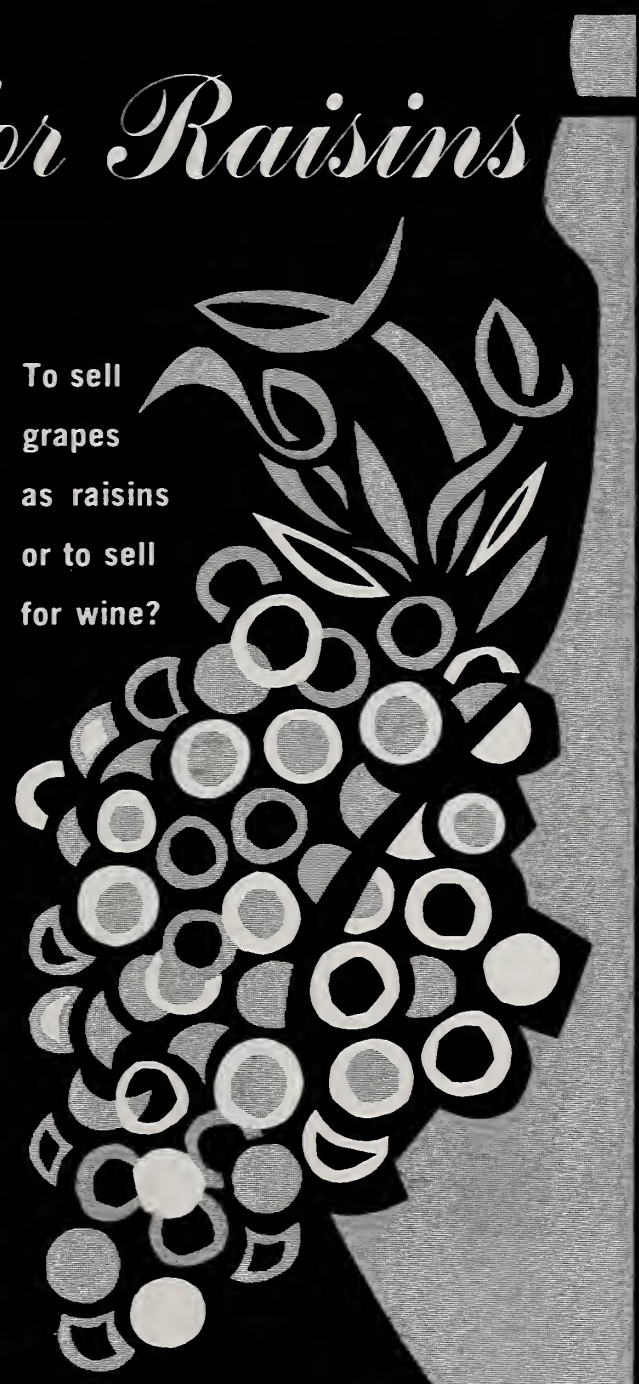
THE FARM INDEX

ECONOMIC RESEARCH SERVICE ✦ U. S. DEPARTMENT OF AGRICULTURE ✦ SEPTEMBER 1964

Reasons for Raisins



To sell grapes as raisins or to sell for wine?

New plan would ease growers' annual quandary

Economic Trends

ITEM	UNIT OR BASE PERIOD	'57 - '59 AVERAGE	1963		1964		
			YEAR	JULY	MAY	JUNE	JULY
Prices:							
Prices received by farmers	1910-14=100	242	242	243	235	232	234
Crops	1910-14=100	223	237	237	248	241	234
Livestock and products	1910-14=100	258	245	249	224	224	234
Prices paid, interest, taxes and wage rates	1910-14=100	293	312	313	313	313	312
Family living items	1910-14=100	286	298	299	300	300	300
Production items	1910-14=100	262	273	273	270	269	269
Parity ratio		83	78	78	75	74	75
Wholesale prices, all commodities	1957-59=100	—	100.3	100.6	100.1	100.0	100.4
Commodities other than farm and food	1957-59=100	—	100.7	100.8	101.1	101.0	101.1
Farm products	1957-59=100	—	95.7	96.8	93.7	93.2	94.1
Food, processed	1957-59=100	—	101.1	102.2	99.4	100.2	101.2
Consumer price index, all items [1]	1957-59=100	—	106.7	107.1	107.8	108.0	—
Food	1957-59=100	—	105.1	106.2	105.5	106.2	—
Farm Food Market Basket: [2]							
Retail cost	Dollars	1,037	1,078	1,088	1,071	1,081	—
Farm value	Dollars	410	394	403	391	398	—
Farm-retail spread	Dollars	627	684	685	680	683	—
Farmers' share of retail cost	Per cent	40	37	37	36	37	—
Farm Income:							
Volume of farm marketings	1957-59=100	—	115	108	88	101	110
Cash receipts from farm marketings	Million dollars	32,247	36,925	2,864	2,294	2,495	2,755
Crops	Million dollars	13,766	17,045	1,251	723	970	1,157
Livestock and products	Million dollars	18,481	19,880	1,613	1,571	1,525	1,598
Realized gross income	Billion dollars	—	41.7	—	—	42.0	—
Farm production expenses	Billion dollars	—	29.2	—	—	29.7	—
Realized net income	Billion dollars	—	12.5	—	—	12.3	—
Agricultural Trade:							
Agricultural exports	Million dollars	4,105	5,585	411	529	459	—
Agricultural imports	Million dollars	3,977	4,011	335	328	314	—
Land Values:							
Average value per acre	1957-59=100	—	—	127	131 [4]	—	—
Total value of farm real estate	Billion dollars	—	—	148.1	150.8 [4]	—	—
Gross National Product [3]	Billion dollars	456.7	583.9	577.4	—	618.5	—
Consumption [3]	Billion dollars	297.3	375.0	372.0	—	396.0	—
Investment [3]	Billion dollars	65.1	82.0	80.2	—	87.0	—
Government expenditures [3]	Billion dollars	92.4	122.6	120.9	—	129.5	—
Net exports [3]	Billion dollars	1.8	4.4	4.3	—	6.0	—
Income and Spending:							
Personal income, annual rate	Billion dollars	365.2	464.1	464.0	487.8	489.3	490.8
Total retail sales [5]	Million dollars	17,105	20,536	20,719	21,777	21,746	21,928
Retail sales of food group [5]	Million dollars	4,159	4,929	5,030	5,064	5,030	—
Employment and Wages [5]							
Total civilian employment	Millions	64.9	68.8	69.1	70.8	70.4	70.6
Agricultural	Millions	6.0	4.9	5.0	4.9	4.8	4.9
Rate of unemployment	Per cent	5.5	5.7	5.6	5.1	5.3	4.9
Workweek in manufacturing	Hours	39.8	40.4	40.4	40.7	40.6	40.6
Hourly earnings in manufacturing, unadjusted	Dollars	2.12	2.46	2.45	2.53	2.53	2.53
Industrial Production [5]	1957-59=100	—	124	126	131	132	133
Manufacturers' Shipments and Inventories [5,6]							
Total shipments, monthly rate	Million dollars	28,736	34,774	35,641	37,186	37,015	—
Total inventories, book value end of month	Million dollars	51,158	58,807	58,884	60,528	60,377	—
Total new orders, monthly rate	Million dollars	28,374	35,036	35,207	38,893	37,745	—

[1] Beginning Jan. 1964. new ser. [2] Av. ann. quantities of farm food products based on purchases per wage-earner or clerical-worker family in 1952—estimated monthly. [3] Ann. rates seasonally adj. 2nd qr. [4] As of March 1. [5] Seasonally adj. [6] Rev. Ser.

Sources: U.S. Department of Agriculture (Farm Income Situation, Marketing and Transportation Situation, Agricultural Prices, Foreign Agricultural Trade and Farm Real Estate Market Developments); U.S. Department of Commerce (Industry Survey, Business News Reports, Advance Retail Sales Report and Survey of Current Business); and U.S. Department of Labor (The Labor Force and Wholesale Price Index).

Increasing population and incomes—and higher consumption per person—are pushing total U.S. food expenditures up.

U.S. consumers may spend about 4 per cent more for food in 1964 than in 1963. During the first half of 1964, retail food store sales rose 4 per cent above a year earlier with the help of more purchases of red meats and other high-valued foods. Sales by eating and drinking places rose even more—to 6 per cent above the year-earlier period.

As usual, consumers' food expenditures didn't rise as fast as incomes. As a result, the per cent of disposable income spent for food is expected to drop to 18½ per cent; it was 19 per cent in 1963. Postwar high during 1947-49 averaged 25½ per cent.

The expected rise in per capita food consumption—nearly 1 per cent—is slightly larger than last year's gain and the largest annual increase in five years.

Last year, civilian expenditures for farm food items totaled $66.4 billion, up $2 billion from the year before. Of this amount, the marketing bill was $45 billion, up 5 per cent due to higher volumes and unit costs. Meanwhile, the farm value for food items was about steady at $21.4 billion.

Workers engaged in food marketing activities numbered 4.8 million last year, up 4 per cent from five years earlier. Much of the increase was in employees in away-from-home eating places.

An important market for food is the nation's school children who returned to studies this month.

Millions of school children provide a billion dollar market for America's food abundance through school lunch programs. And the market will get bigger.

More students and expanding lunch services, largely through the framework of USDA's National School Lunch program, resulted in lunches available to a total of 29 million youngsters in 1962-63. Schools in the program represented about 75 per cent of public and private enrollment combined. By 1975, lunch service will be offered to an estimated 42 to 45 million children.

More important is the improved quality of menus offered in school lunches. More milk, meats and fruits and vegetables are used than ever before. Food used in lunches averaged about 31 cents, wholesale value, per meal.

Crop and Livestock Outlook

This year's **cotton** crop—based on August 1 conditions—is running 14.8 million bales, about the same as expected disappearance for the marketing year ending next July 31.

If indicated production materializes, carryover of all kinds of cotton next year will be about the same as this year. Above average yield—506 pounds per acre compared with 1963's record 516 pounds—holds production prospects up. Weather until harvest could change the picture.

More competitive U.S. prices, aided by the new cotton bill, are expected to boost domestic mill use to its highest level since 1950-51. Exports, though still large, may be down a bit, dampened somewhat by expected higher world production.

Production of **food grains**—wheat, rice and rye—may reach 43.2 million tons this year, up 12 per cent from 1963.

Wheat production as of August 1, was set at 1,285 million bushels, 13 per cent above a year ago. Rice output may reach a new high, and rye, indicated up 17 percent from last

the agricultural outlook

year, may be second largest since 1942. Wheat stocks on June 30 totaled 900 million bushels, down 295 million from a year earlier.

Signup for the 1965 voluntary wheat program in winter wheat areas began August 24, continues through October 2. The new program places a higher value on marketing certificates. Value of domestic certificates will rise from 70 to 75 cents, that of export certificates from 25 to 30 cents. Loan rate will be $1.25, down from $1.30 this year. Farmers next year can raise any amount of wheat without losing acreage history. Also, they can substitute acreages between wheat and feed grains if enrolled in both programs.

Fed **cattle** prices, rising since June, reached $5 above last spring's low in August. They likely will hold this strength through the fall months.

Total cattle and calf slaughter for the year may be up 8 to 10 per cent. Numbers on farms and ranches are continuing to increase—the seventh straight year—but at about half the rate of gain in the first six years of the current cattle cycle.

Hog slaughter in late summer and fall likely will decline moderately from a year earlier after being up slightly in the first half. Prices with reduced slaughter probably will be up from last year's level.

Tobacco: Cigarette consumption, as measured by manufacturer's shipments, was down 11 per cent from a year ago in 1964's first quarter after the Smoking and Health Report came out, but recovered to a level slightly below 1963 use in April-June.

Meanwhile, sales of cigars and smoking tobacco have boomed. Output of cigars and cigarillos ran about 45 per cent higher in the second quarter than a year earlier. Use of smoking tobacco—mainly for pipes—increased about 18 per cent in the same quarter.

Exports of unmanufactured tobacco were also up. In the fiscal year ended June 30, 1964, shipments totaled over 600 million pounds (farm-sales weight), 10 per cent over the average of the last five years.

Supplies of food **fats and oils** may reach 17.4 billion pounds in the marketing year beginning October 1. This figure, based on August 1 crop prospects, is up 2 per cent from the current year. Another record soybean crop—estimated at 748 million bushels (it was 701 million last year)—would account for the increase.

Increased population will absorb a third of the increase in supplies of food fats and oils, leaving more available for exports than the estimated 4.9 billion pounds being shipped in the current marketing year. Export outlook appears bright for 1964-65. Sales for dollars and vegetable oil movement under Food-for-Peace programs may be record high.

Reduced acreages and generally lower yields are cutting production of all four **feed grains** this year. Based on August 1 indications, output will run 146 million tons, down 6 per cent from last year.

The corn crop is expected to be 3.9 billion bushels, down 5 per cent from last year's record 4.1 billion bushel crop. Oats and barley production are expected down 7 and 3 per cent, respectively.

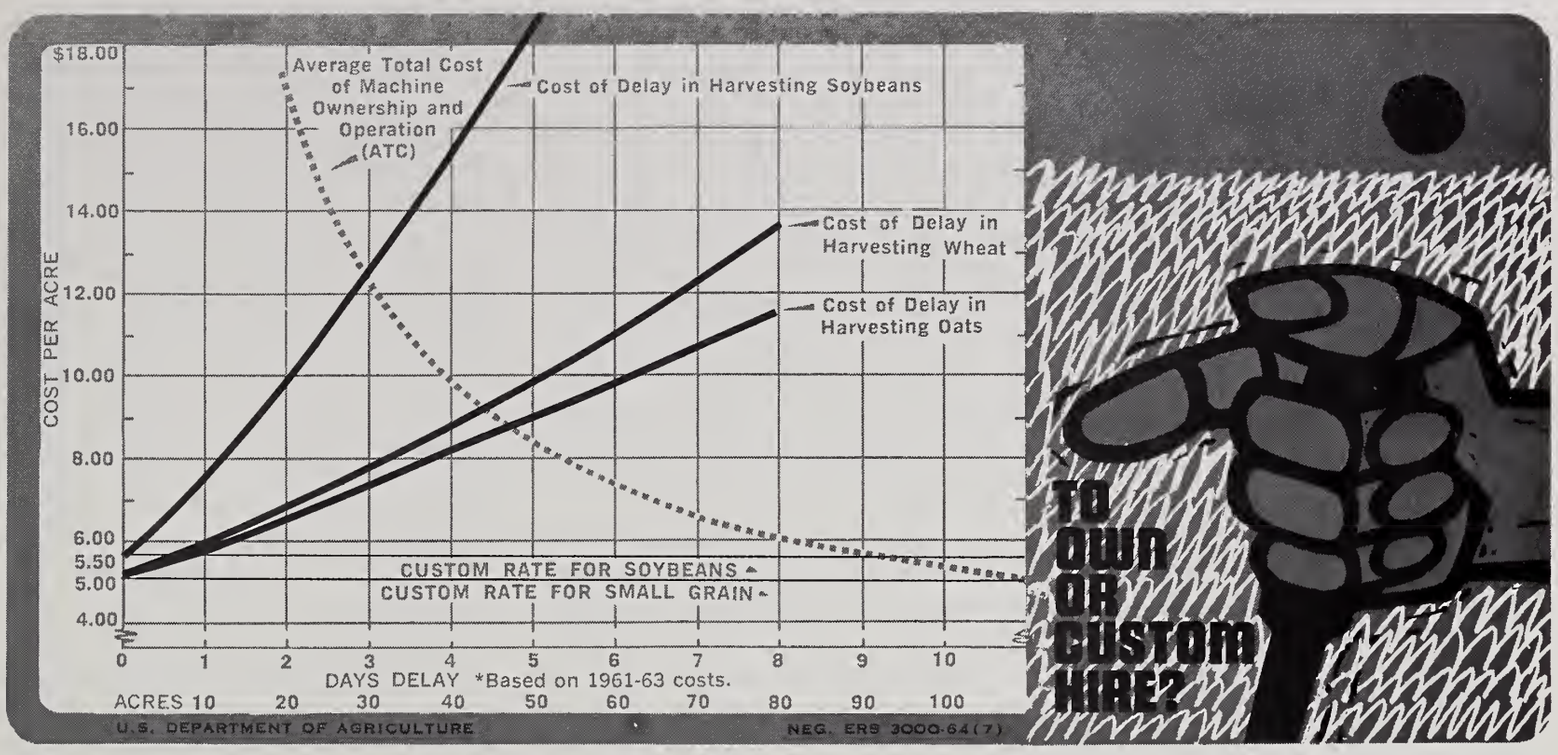
Taking the biggest drop is sorghum grain production—down 19 per cent from 1963.

Feed grain supply for 1964-65 is estimated at 216 million tons, down about 3 million from last year. Disappearance probably will be near or a little below the 149 million tons expected in 1963-64.

Feed grain stocks totaled 94 millions tons on July 1, about 7 million more than a year ago. Exports may reach a record high of 18 million tons in the feeding year ending this month, up from 16.6 million tons in 1962-63.

Disposable Income of Farm Population Up

In 1963, per capita disposable income (what's left after taxes) of the farm population from all sources set a record high of $1,376. Since 1960, this figure has increased 18 per cent while per capita disposable income of the nonfarm population gained 9 per cent—from $2,008 to $2,181. Total disposable personal income of the farm population was 63 per cent of that of the nonfarm population in 1963, 58 per cent in 1960.



Whether a farmer in the Corn Belt can save money by custom hiring a combine depends on two items: the number of acres he has to harvest and the amount of time he will have to wait for the custom machine after the optimum date for harvesting.

ERS economists stationed at the Ohio Agricultural Experiment Station have devised a graph which allows each farmer to figure what the per acre costs of owning are compared with custom hiring. The graph assumes the use of a six-foot power take-off combine and that an operator owning his own machine begins combining on the optimum harvesting date.

Prices used per bushel were: wheat, $2.00; oats, 65 cents, and soybeans, $2.35. The costs of delay in harvesting curves are based on quality and quantity loss curves, average yields per acre, of 24, 52, and 28 bushels for wheat, oats and soybeans respectively. Qualitative and quantitative losses from harvesting beyond the optimum dates were converted into monetary values by using a grain discount schedule to determine the value of grain harvested on a certain date.

To illustrate the use of the graph, suppose Farmer A has 25 acres of wheat to cut. From past experience he expects that on the average he will have to wait about five days beyond the optimum harvesting period for a custom combine. Now the question is: Will it be cheaper for him to wait and risk some quantity and quality loss on his wheat or should he go ahead and buy his own equipment?

He starts by finding the five-day delay point on the graph. From that point a vertical line drawn upward will intersect the cost of delay curve for wheat at about $9.90. This is what Farmer A would really pay as a true custom rate ($5.00 custom rate plus $4.90 per acre for wheat loss due to the five-day delay in harvesting).

Now, to see if he can own a combine at this rate, Farmer A draws a horizontal line right from the $9.90 point on the cost per acre line until it intersects the line representing the total cost of owning and operating a machine (the ATC curve). At that point, a straight line drawn to the base line will intersect at around 40 acres. This means that with the custom cost plus the delay-loss cost totaling $9.90, Farmer A needs 40 acres of wheat before buying will be as cheap as renting a combine.

Obviously, with only 25 acres to harvest, Farmer A is better off waiting for a custom machine. To find out how much he saves by custom hiring instead of owning, Farmer A again draws a line upward from the 25 acre-point intersecting the ATC curve at $14.30, the cost per acre of ownership. Thus, he saves $4.40 an acre by custom hiring rather than owning.

To use the graph for computing costs of ownership versus custom hiring on combination enterprises, assume that Farmer B has 25 acres of wheat and 15 acres of oats to harvest. He expects a three-day delay after the optimum harvest date if he hires a custom machine to cut his wheat and a two-day delay on the oats.

To determine whether he should own or custom hire equipment Farmer B draws another line upward from the three-day delay period until it meets the cost of delay curve for wheat. They intersect at $7.70, which is the true custom cost per acre.

To figure the comparable figure for oats, a vertical line drawn from the two-day delay point will intersect the cost of delay curve for oats, at about $6.30 per acre.

To find the combined costs per acre:

25 acres of wheat times $7.70 true custom cost per acre = $192.50

15 acres of oats times $6.30 true custom cost per acre = $ 94.50

Total = $287.00

$287.00 / 40 acres = $7.18 weighted average custom cost per acre

Knowing this, Farmer B can then estimate how many acres of wheat and oats he would need to bring his ownership costs per acre down to the $7.18 per acre average true custom cost.

Starting at the $7.18 point on the ATC curve, Farmer B drops a vertical line to the base line; the two will intersect at around 62 acres. Now farmer B knows definitely that unless he has 62 acres of grain (in the approximate ratio of 25 to 15) it will be cheaper for him to custom hire than to own.

Farmers who grow soybeans can calculate their costs in much the same way. However, the custom charge should be increased about 50 cents per acre over the small grain rate on the base line. (*1*)

Mortgage Debt's Recent Rapid Rise Didn't Derive from Drop in Quality

Farm mortgage debt has been increasing rapidly for more than three years . . . Land values have continued to rise, despite questions about the sustainability of already high prices . . . Farm incomes haven't been trending upward.

These developments ordinarily make a worrisome combination.

But a study of the recent farm-mortgage loan experience of federal land banks, insurance companies and the Farmers Home Administration failed to turn up any ominous signs.

—Although debt increased from $12.8 billion on January 1, 1961, to $16.8 billion on January 1, 1964, the total remains low in relation to current property values. The overall ratio of mortgage debt to value of farmland showed only a modest increase during this period—from 9.8 per cent to 11.1 per cent.

—One sign of trouble is an increase in the proportion of loans to refinance existing debt. But there was little change in these proportions from 1961 to 1964.

—Repayments on loans were well maintained over the three years. Delinquencies were scarce and showed no upward trend. Even in regions where farm incomes suffered sharp temporary declines, repayments continued strong and delinquencies were negligible. (*2*)

When Cities Take to the Countryside, An Acre's Cost May Take to the Sky

An acre of farmland sells for an average of $365 in Maryland. In Iowa, farmland is changing hands at an average of $265 an acre. What's the difference? Mostly cities, pushing their way into the countryside and pushing land values up as they go.

Since 1954, market prices for farmland have increased 42 per cent in the Corn Belt, largely because of the greater efficiency on the farm and the rise in general price levels.

But in Maryland, the increase in land value has amounted to 83 per cent for the same period. It would, in fact, cost about a thousand dollars to pick up almost any acre of land that lies in the 25-mile stretch between Baltimore and Washington, a zone that includes some of the least productive cropland in the state. However, the area is also a part of the super-city that reaches all the way from Washington to Boston.

The high price of farmland in Maryland is typical of any farm area in the path of urban expansion. As the cities reach out for more living room and more space for their factories, prices for the outlying land are automatically bid up. In a county that contains a big city (50,000 population or more), the average value of farmland is at least double the value of land in other counties without large population centers. And nearly one-fifth of the nation's land is within easy commuting distance of a city.

By 1980, the population may reach 255 million persons. That is 65 million persons more than we have today, more people living in bigger cities, driving broader highways, working at new factory sites—and using up millions of acres of farmland.

But despite the urban pressure on farmland, economists are not predicting an out-of-hand land boom. Although farmland prices appear destined to continue rising, it isn't likely that land prices will keep pace with some alternative investments. Also, comparatively low income from farming and costs of holding land, along with the trend to more food production from fewer acres, tend to hold down land values. (*3*)

A Haphazard Choice of Irrigation Plan May Be All Wet, Not Very Profitable

An irrigation system is a tailor-made operation, fitted to the exact needs of the region, the crop, the farm and the farmer. If it isn't, the addition of irrigation is more apt to boost costs than profits. Some things to think about in developing an irrigation system are:

The region. Farmers in the arid West, for example, make a practice of filling the soil to field capacity at each irrigation. In humid or subhumid regions, such

a practice may collide with a heavy rain, leaving the farmer without a crop.

In planning for irrigation, the farmer in the rainless West works with a standard of eight or ten gallons per minute per acre irrigated. Where the rainfall is more plentiful, such a standard would mean an excessive capital investment. Three gallons per minute per acre irrigated would be enough for cotton in areas where the farmer has designed his irrigation program to take full advantage of adequate rainfall.

Size of installation. A well that can be stretched to irrigate 25 acres of cotton in the Texas High Plains will cost about $3,000 to install. One that will do a good job on 100 acres will run to $5,000 for installation. But the overhead cost per acre on the smaller installation is almost two and a half times the cost for the larger one. The cost of water per acre-inch is about 90 cents for the small well compared with 38 cents for the larger one.

Type of crop. If more than one crop will be irrigated, there will have to be some adjustment in planting dates. There is rarely enough water or manpower to irrigate two crops at the same time.

The operator must also remember that irrigation prolongs the growing and fruiting period of crops with indeterminate fruiting habits. These changes, in turn increase the cost of insect control, delay harvest, add to the risk of damage from autumn rains and may even complicate land preparation in the fall.

In choosing an irrigation system, the aim is the least total cost of water. The power unit and fuel that will provide this in a 2,000-hour pumping season isn't likely to work for a 500 or 600-hour season.

For a longer pumping season, a new industrial engine would probably do the job best. In a shorter one, a used automobile or truck engine would probably provide cheaper power.

Depending on rates, electricity may be the cheapest source of power when the horsepower requirements are lowest. L.P. gas would deliver the middle range of horsepower for the least cost. Natural gas, where available, tends to cost less for maximum horsepower requirements.

The supply of labor. With a big family to help out but not much money, a farm operator might choose a wet-line sprinkler system designed to apply water at maximum infiltration rates.

But if the operator had more money to work with, and needed to hire his labor, he might be better off with a dry-line system and double the number of laterals and heads. (*4*)

Rural Fires Three to Six Times More Destructive Than Fires in the City

If fire could choose between city and farm, it would choose the farm for fire inflicts to six times as much damage per fire on the farm as it does in the city each year.

Why the farm-for-fire attraction? Mostly farm isolation, lack of firefighting facilities and less rigid standards for wiring, construction and heating equipment.

Fire and its ally—lightning—strike some two out of every 100 farms yearly. They pick on farm dwellings first. Then barns, outbuildings, machinery and equipment and produce in that order.

Fire losses in 1963 were some six times greater than lightning losses. Fire preferred buildings. Lightning struck at personal property—especially livestock.

Combined, they managed to destroy a record amount of farm property worth $191 million—9 per cent above 1962 and 46 per cent above 1950.

Rising property values plus higher replacement costs largely account for the spiraling fire and lightning losses. (*5*)

Farmland Preferred, Say the States In Six Out of Seven Recent Actions

Statehouse corridors continue to echo with arguments over the problem of how to tax farmland that lies in the path of growing cities. A preferential tax has been winning the debate in all but one of recent actions.

Connecticut. Lawmakers voted in 1963 to permit assessors to value farmland, forest land, or open-space land "upon its current use without regard to neighborhood land use of a more intensive nature." Such land automatically qualifies for special tax treatment.

Indiana. The Hoosiers joined the list of states giving preferential tax treatment to urban-fringe farmland with a 1963 law that requires assessors to value such lands on the basis of farm use alone.

Wisconsin. Come November, the electorate will have a chance to vote on a proposal to eliminate the state constitutional requirement that farmland around cities and villages be assessed uniformly with other property.

New Jersey. In November last year, the electorate approved a constitutional amendment to permit assessment of farmland on the basis of agricultural use, not development potential. The amendment provides, however, that the state can collect additional taxes when the land is put to some nonfarm use.

Oregon. State voters followed a plan similar to the one adopted by New Jersey.

Florida. Court decisions in 1963 upheld the constitutionality of preferential assessment laws on the books.

Nevada. Going against the trend, the Supreme Court of Nevada, early this year, invalidated statutory provisions for assessment of farmland on the basis of use, ruling that the act violated the uniformity clause of the state's constitution. (*6*)

The Men At Work

There is still many a difference between the farm family and the rest of the population. The latest report on farm population by the Bureau of the Census and the Economic Research Service underlines some of them.

IT'S A MAN'S WORLD. There are 108 farm men of labor force age for each 100 women (1963). In the nonfarm population, there are only 89 men for each 100 women. One of the reasons for the difference is that farm work remains predominantly a masculine operation. Also, many older farm women move to town when widowed.

THE ADULT FARM POPULATION IS WEIGHTED ON THE SIDE OF AGE. Seven-tenths of all farm residents are 14 years old or older, about the same proportion as in the city. But the number of farm men and women 45 to 64 years old is greater than the younger working population.

By contrast, in the nonfarm population, 25- to 44-year-olds outnumber the older segment of the working population by more than a fourth.

UNEMPLOYMENT MAY BE MASKED ON THE FARM. Unemployment rates are about twice as high off the farm as they are on it. But the figures are no measure of relative well-being for the two segments of the population. Self-employed farmers may, for instance, struggle along with not enough work to do and too little income. Furthermore, the part-time farmer is still listed as employed when he loses his off-farm job, even though he may have relied heavily on such work for his income.

General unemployment may strike more directly at the women in the farm population than the men. The unemployment rate for farm women is about double the rate for farm men. In the nonfarm labor force, the unemployment rate for women is only about a sixth greater than for men. *(7)*

THE ELUSIVE LOAN

Paying off the mortgage may be only part of the job; getting one in the first place can be difficult

The dream house you are planning in the country is apt to be harder to finance than it would be in the city or suburbs.

The money is harder to find, for one thing. There are fewer banks or other mortgage lenders willing to lend outside the city limits.

And when you get within sight of the mortgage loan, it will probably be smaller and for a shorter term than it would be on a similar home in the city. Only a few rural home loans are FHA insured or VA guaranteed.

In fact, rural facilities for tapping the credit sources of larger communities are generally inadequate to the needs of the countryside.

These are the points made in a recent survey of lending institutions in Missouri. The survey, conducted by the University of Missouri in cooperation with the Economic Research Service, covered lending practices in rural areas of 12 counties in the state. Most towns in the areas had fewer than 2,500 people.

In many rural communities, the local bank is the only financial institution. And its resources are simply too small to permit tying up funds in long-term housing loans.

Another problem is that outside lenders, with greater resources, are not much attracted by housing loans in the country.

Lending risks are apt to be greater than they would be in the city. Many rural areas are losing their industries and jobs to the cities. Unemployment is more of a threat. The population may be shrinking. Incomes are generally lower.

Moreover, homes scattered about the countryside are less salable than houses in the town or city. Distance, isolation, poor roads, lack of public utilities and community facilities and lower construction standards are some of the obstacles.

Outside lenders are thus understandably cautious when considering long-term loans. But risk alone is only part of the reason.

The loan transaction itself may be less profitable in the country. Loans—and interest returns—on rural homes are small but they cost as much or more to make and service as would a larger loan for an urban home. Distance again is part of the problem.

The appraiser must travel farther, taking more time to make his estimate. And with the greater variety in size, shape and location of rural homes, the job of evaluation is all the harder. Nor is the volume of loan business in any one community usually big enough to interest the lenders.

But the problems may be less difficult than some lenders see them. Repayment of rural loans has been as good as for urban loans. Lenders can, in fact, make more sound loans in the countryside than they now do.

Efforts to improve the credit situation for rural homes depend partly on reducing risks, lowering lending costs and otherwise making housing loans more attractive to lenders.

It would also help if civic and financial leaders in rural communities were more aware of the importance of housing credit to community growth and improvement, taking steps to arrange for more adequate credit with outside lenders.

With such help, the house might be closer to reality. *(8)*

Reasons for Raisins

Changes under federal order could help growers market the schizoid Thompson

A grape with a split personality —it's equally good eaten fresh or processed as raisins or wine— leaves California growers of Thompson seedless in something of a quandary at harvesttime.

With the fresh market relatively small, the bulk of the crop is used either for raisins or for wine.

Wineries don't pay as well as raisin packers. But it costs the grower more to produce raisins than it does wine grapes. Raisin production is a dry-and-turn process done almost entirely by hand.

Then too, the grower is at the mercy of the weather during the 10 to 20 days the grapes are drying in the vineyard; insurance doesn't always cover the damage a single late summer storm can do.

However, there's an even more pressing reason for the grower's indecision. His wine versus raisin choice has to be made in early August when the grapes mature. Yet he doesn't know then whether raisin prices will be high enough to warrent the extra cost of drying all or even part of the crop.

The U.S. raisin industry, based almost entirely in California, has operated since 1949 under a federal raisin marketing order. Instituted at the industry's request, the order has done much to stabilize raisin prices, improve raisin quality, increase production and expand export markets. Growers, for instance, have seen raisin prices go up from $135 a ton in the 1949 crop year to an estimated $204 in 1963.

However, the industry still has problems that could be ironed out within the existing framework of the federal marketing order.

A new ERS study suggests several changes. The first concerns the grower's early August dilemma: What price will raisins bring this year?

October 10 is the date the Raisin Advisory Committee, composed of growers and packers, sends its raisin marketing policy for the coming year to the Secretary of Agriculture for his approval.

This policy actually determines what percentage of the estimated crop will go into each of three pools: (1) the free (domestic) pool from which packers can sell freely to buyers in the United States, Canada or anywhere else in the Western Hemisphere; (2) the reserve pool from which the domestic pool can draw raisins as needed and (3) the surplus pool from which export sales are made to countries outside the Western Hemisphere.

In normal crop years about 60 per cent of the raisins produced go into the domestic or "free" pool, the remaining 40 per cent being divided about equally between the other two pools.

By adding or withholding raisins from the free pool, this arrangement serves as a way to maintain favorable prices to growers.

The only trouble is that for growers the decisions on marketing policy come too late. The new ERS study recommends these decisions be moved forward to about the first of August.

Moreover, the report points out that the raisin industry would make it easier for growers, packers and buyers alike if the domestic or "free" allocation were made in actual tons rather than as a percentage of total production.

Buyers know about how many tons they will need to meet consumer demand. But how many tons will 60 per cent of the crop run to?

ERS economists suggest a fixed allocation of, say, 135,000 tons. This tonnage represents the median amount actually sold from the free pool in most years since the marketing order was set up in 1949.

However, the study also recommends that the reserve pool be abolished. Prospective buyers know raisins can be transferred from the reserve pool to the domestic pool as needed. This easy availability tends to depress raisin prices as the marketing year advances.

If the reserve pool were abolished, the fixed tonnage allocation to the free pool would have to be somewhat higher.

Raisins can always be transferred from the surplus pool to the domestic pool if needed. Under the marketing order it's somewhat harder to make transfers from the surplus pool than from the reserve pool. But this would probably help rather than hinder the industry: buyers could not so easily point to this untapped reservoir as a reason for offering lower prices for raisins in the free pool.

The study suggests that the surplus pool merely be the difference between the free tonnage and total production.

In sum, the study recommends that the industry announce its marketing policy early enough to help growers decide whether to produce raisins or sell their grapes for wine.

Also, the study recommends improvements in the pooling system that can do much to stabilize prices.

The raisin industry can't look for much increase in per capita consumption in the domestic market. With growing incomes in other countries, the demand in the export market can undoubtedly be expanded.

But the key to higher grower income is a better marketing system and more efficiency in the production of raisins. *(9)*

Paper Nets, Wooden Frames Can Trap Savings, Square the Loose Pack Circle

Take a paper net and a wooden frame. You have the makings of a new way to pack flue-cured tobacco that cuts hours and dollars off this laborious part of the job of handling tobacco.

With more than half the tobacco processors now using machinery that produces tobacco strips, traditional tied bundles of 25 to 30 leaves are no longer needed.

A loose pack for flue-cured tobacco isn't new. Type 14 from Florida and Georgia has traditionally been marketed in the round pack of loose leaves. But the round pack has some notable disadvantages.

The round pack, carted to market in sheets of burlap or cotton, must be opened at the warehouse and dumped on the wooden basket. The tobacco is turned back again on sheets when sold.

This necessary handling of the round pack results in more tangled, crushed leaves, with less appeal to the buyer and more problems for the manufacturer.

Also, the very shape of the round pack means that it takes up an unnecessary amount of space in shipping and storage. You just can't fit as many round piles into a given space as you can square ones.

The new packing method, tested under actual farm and market conditions by specialists in the Economic Research Service, offers a way to solve the problems of the loose pack while preserving the timesaving aspects.

The key features are the use of a frame during packing and a knitted paper sheet to wrap the tobacco.

The packing frame developed for the test is cheap and easily built. Only one or two frames are needed on a farm with three to five acres of tobacco.

Two workers can pack 300 pounds of tobacco in the 38-by-38-inch frame in about half an hour, or one man-hour. It would take 16 man-hours to tie 300 pounds of tobacco into the traditional tied bundles.

Once filled, the frame is lifted from the pack and the paper sheet, which has been lying under the frame, is tied around the tobacco. The knit paper replaces the customary burlap or cotton.

Resembling a fine-mesh fish net, the paper is strong and cheap and has the added advantage of not shedding its fibers on the tobacco. And unlike the cotton or burlap sheets, the paper cover stays with the tobacco all the way from farm to warehouse to processor.

To display the tobacco in the warehouse, all the seller has to do is untie the ends, tucking the sheet under the bale. Once sold, the bale can be tied up again without turning and running the risk of crushing the leaves.

If all farmers in Virginia and the Carolinas, where the vast bulk of flue-cured tobacco is produced, switched from tied bundles to the frame and net system, they could save as much as six million man-days of labor a year, a savings that figures out to about three cents for a pound of tobacco, or $36 million for the crop.

The new system could also help to strengthen the position of U.S. flue-cured in the international tobacco markets. Southern Rhodesia and Canada are giving U.S. tobacco a run for its money, partly because of their superior packaging and covering materials.

Canadian tobacco is sold straight laid, without tying it into bundles. Rhodesian tobacco is neatly sewed up in waterproof paper and burlap. Both countries use rectangular packages.

American flue-cured tobacco fetches premium prices in the international market. A bundle of flue-cured, as high on looks as it was on quality, would add more strength to U.S. sales. *(10)*

Country	Foreign Exchange Reserves*			Movement of Reserves, 1953-62	
	Total	Change in past year	Ratio of reserves to annual imports	Long-term trend (average annual change)	Variations from trend
	Million U.S. dollars	Million U.S. dollars	Per cent	Million U.S. dollars	Degree
West Germany	7,654	690	58.8	615.4	low
France	4,908	859	56.2	284.0	high
Italy	3,283	—361	43.1	369.8	average
United Kingdom	3,166	—145	23.4	102.0	average
Switzerland	3,074	202	94.4	118.1	low
Netherlands	2,102	156	35.2	94.4	average
Japan	2,058	36	30.5	149.1	high
Spain	1,163	86	59.9	92.4	high
Israel	537	100	79.6	39.5	high
Mexico	465	106	37.8	16.3	average
Greece	293	8	37.1	14.3	low
Taiwan	237	113	67.1	9.6	average
Libya	129	33	52.7	10.8	low
Philippines	89	14	12.9	—17.8	high

* As of December 31, 1963. For Mexico and the Philippines, as of September 30, 1963.

THE CATCH-UP COUNTRIES: GAINING FAST

U.S. exporters of farm products should be on the lookout for new market opportunities in Spain, Israel, Greece, Taiwan, the Philippines, Libya and Mexico.

Why these particular countries? They're not among the wealthier nations, like West Germany, France, Italy, the United Kingdom, Switzerland, the Netherlands and Japan. Each of these industrial giants held foreign exchange reserves at the end of 1963 of more than $2 billion.

On the other hand, Spain, Israel and the others aren't underdeveloped nations either. If anything, they're at the take-off stage in developing a vigorous market economy.

A new ERS study points out that such countries offer more opportunities for *new* markets than our old-line dollar customers. Many people in West Germany and Japan, for instance, have been earning high enough wages to afford high quality foods, refrigerators, automobiles and other consumer goods for nearly a decade. People in the take-off countries are just reaching this point and markets are bound to expand as they try to catch up.

The study shows that for fiscal 1954-63 U.S. sales of farm products for dollars kept a fairly even pace with increases in the free world's gold and exchange reserves. For every $1 million rise in free world reserves the United States, on the average, sold $75,000 more farm exports.

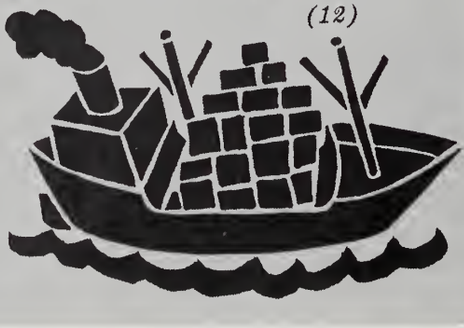
That's the decade average. But the figures for the last four years of the period tell a somewhat less optimistic story. In fiscal 1960-63 dollar sales increased only $36,000 for every $1 million increase in free world holdings.

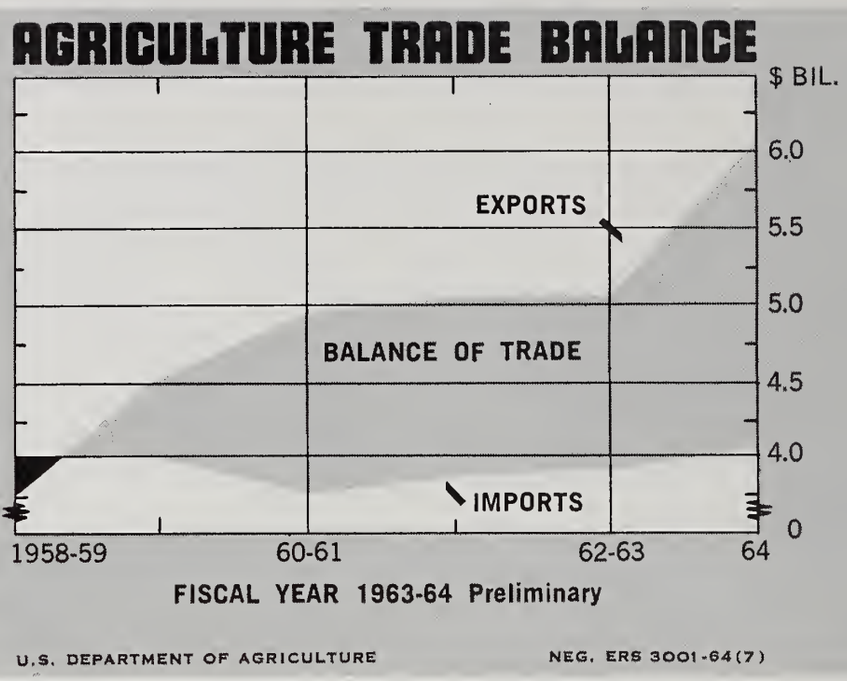
One reason, among many, for the smaller rate of increase in U.S. agricultural sales, compared with the rise in foreign reserves, is the Common Agricultural Policy of the European Economic Community. In July 1962 CAP imposed import levies on many farm products that the United States, along with other nonmembers, has long supplied to the six nations that make up the Community. In fiscal 1963 our exports to the EEC were off a full 10 per cent from the previous year. However, with bad weather and poor crops in EEC countries, our fiscal 1964 exports, especially wheat, were up markedly again.

Another factor in the declining ratio of U.S. sales to foreign reserves is the marked increase since World War II in farm output throughout Western Europe and in Japan. Producing more of their own food, these nations don't have to rely as they once did on imported commodities.

All of which points up the importance to U.S. exporters of such markets as Spain, Israel and the other nations now entering the take-off stage in their economic development.

TAKE-OFF FOR TRADE: With sales of U.S. agricultural products abroad at the all-time high of $6.1 billion for the year that ended in June, exports soared over imports by a margin of $2 billion. It is the largest export balance on record, based on available information for the past half century. The balance of trade for the past several years has been highly favorable, reflecting the pronounced upward trend in agricultural exports. *(12)*





Take Spain, for example. In 1959 Franco devalued the peseta and launched a strict program to stabilize the economy. Spain's total reserves jumped from $227 million in 1960 to over $1 billion in 1963. At the same time U.S. dollar sales of farm products to Spain shot up from $1 million to $112 million.

These figures indicate that our sales climbed at an even faster rate than Spain's accumulation of foreign gold and exchange reserves. And this situation makes for growing market potential by any standard. *(11)*

U.S. Buys More Foreign Foods in '64; Gentleman's Agreement Curtails Beef

A $172 million increase in U.S. purchases of farm products that don't compete with ours. Only a $16 million increase in those that do.

This is the tally on U.S. agricultural imports for fiscal 1964, ended last June 30, compared with fiscal 1963.

Total farm imports came to $4,096 million, 5 per cent above the 1963 figure of $3,907 million.

Among the products that are partly competitive with our own, declines in imports from fiscal 1963 were registered for dutiable cattle, meats, apparel wool, oilseeds and related products and sugar.

Imports of dutiable cattle were actually cut in half, down to 606,000 head compared with 1,217,000 in 1963.

Total meat imports were up 1 per cent, but pork and mutton imports fell. For the entire year imports of beef and veal were slightly above those in 1963; however, imports in January-June 1964 were 8 per cent below the same period in 1963.

Several factors contributed to the cutback in beef and veal imports. One was the voluntary agreement to curtail imports signed with Australia, New Zealand, Ireland and Mexico, our biggest suppliers. Another was the marked increase in U.S. production. Then too, higher meat prices in other world markets, at a time when U.S. prices were relatively low, encouraged foreign suppliers to sell their beef and veal elsewhere.

With domestic sugar producers now getting a larger share of the U.S. market, sugar imports declined in fiscal 1964 by a full $9 million. *(13)*

Foreign Spotlight

YUGOSLAVIA. With this year's wheat crop below early expectations, Belgrade has raised the guaranteed minimum price to farmers by 28 per cent. Object is to spur production. Incentive prices were jacked simultaneously on other major crops. Consumers will foot the bill in higher retail prices for bread, flour, sugar and milk.

INDIA-PAKISTAN. With a rice surplus this year in Moslem Pakistan and a mounting food shortage in Hindu India, the two nations have taken a modest step toward better relations. India is bartering coal, railway equipment and other goods for 70,000 metric tons of Pakistani rice. This probably won't establish a pattern. India in recent years has imported most of its rice from Burma, Thailand and the United States.

NICARAGUA. Managua hopes a new agreement to ship beef to France will serve as a wedge into the entire European Common Market. *(14)*

THAT ONE GOOD MEAL FOR MANY

Three-fourths of the nation's public school youngsters, some 30 million of them, lined up during 1962 to eat a total of 2.7 billion plate lunches—all served at nominal cost (or free) under the National School Lunch Program.

In one month alone nearly one million needy children, 3 per cent of the total enrollment in schools under the program, received lunches free or at reduced prices.

The school lunch is a $1 billion-plus operation, financed jointly by federal and local government donations, plus receipts from sale of lunches to students at an average price of 25 cents to 30 cents.

The plate lunch is designed to give youngsters at least a third of the nutrients they need a day. That parents and teachers alike recognize its value is shown by the program's rapid growth. Less than 600 million lunches were served back in 1947. By 1957 the number had climbed to 1.7 billion. The next five years saw a jump to 2.7 billion.

A new ERS study shows that the proportion of public schools participating in the federal program is highest if they: (1) are located in the Southeast and in less densely populated areas or (2) have larger than average enrollments. Over 90 per cent of the children in such schools have plate lunches available to them under the program.

On the other hand, more than 30,000 schools with an enrollment of 6.5 million youngsters have no lunch service. Less than 65 per cent of schools in the nation's biggest cities offer lunches. This is particularly true for the elementary grades and for schools in the West, Midwest and Northeast. Many of these are older schools that just don't have the facilities to cook and serve lunches. Then too, many children in big cities live close enough to go home for lunch. And many schools with no lunch service do provide milk.

The plight of needy children is more acute in schools without lunch service. Whereas they could get one nutritious meal a day free if the school served lunch, chances are many of these youngsters eat little for lunch. The study shows there are 687,000 needy children, 11 per cent of enrollment, in schools that have no lunch service.

The number of needy children who can't get a plate lunch at school is highest in the Southeast and Southwest, lowest in the Midwest and Northeast. There are also more needy children in rural schools with no lunch service than in urban ones.

However, the National School Lunch Program is reaching more children every year. Privately sponsored lunch service in public schools, which fed 3.7 million pupils in 1961-62, is expanding too.

When all's said and done the youngsters themselves may want hot dogs. But parents, educators and government alike recognize that a balanced lunch can put more A's on the nation's report cards. *(15)*

PUBLIC SCHOOLS	Lunch service		Milk only		No food service	
	Pupils	Schools	Pupils	Schools	Pupils	Schools
	Thousands	Number	Thousands	Number	Thousands	Number
United States total	**33,595**	**66,175**	**4,606**	**16,735**	**1,668**	**13,730**
Regions:						
Northeast	8,295	13,825	1,663	5,200	467	1,867
Southeast	7,660	15,456	262	1,182	114	2,489
Midwest	7,791	17,419	1,871	7,516	728	6,783
Southwest	4,408	10,706	212	898	198	1,560
West	5,441	8,768	598	1,938	161	2,033
Population density:						
Under 100,000	14,131	38,618	1,327	7,776	575	10,730
100,000-1,050,000	13,485	21,082	2,162	6,476	660	2,174
21 largest cities	5,979	6,476	1,117	2,482	432	827
Size of school, by enrollment:						
Under 250	2,496	19,563	941	9,194	453	11,368
250-499	7,831	21,294	1,752	4,892	507	394
500 or more	23,268	25,266	1,913	2,647	708	969
Grades taught:						
Elementary	16,277	42,377	4,016	15,339	1,399	12,739
Junior and senior high	12,927	14,440	448	969	235	756
Other combinations	4,391	9,360	142	425	34	236

Figures as of March 1962.

Two-Thirds of Nation's Private School Pupils Aren't Offered Plate Lunches

More than a third of the nation's private schools provide lunch service for their students. Most offer complete plate lunches under the National School Lunch Program.

What about the other two-thirds? Why are 8,300 schools, most of them elementary schools in the Northeast and Midwest, without plans for lunch service?

An ERS study on school lunch programs provided some answers.

Smaller private schools, particularly in the less densely populated areas, may have too few pupils to support lunch facilities. Some schools are in older buildings and the addition of lunch facilities is difficult and expensive. Schools benefitting from the na-

tional program are required to provide lunches at reduced prices or without charge to needy pupils, and some private schools in economically depressed areas can't carry this cost. And there are schools in which those with operating authority do not wish to add lunchroom responsibilities. These are essentially the same factors that limit broadening the lunch program among public schools now without food service.

Even in schools where it is offered, half the children don't eat the plate lunch on a daily basis. The study found that the size and location of the school have something to do with this: a larger proportion of children in private schools with smaller enrollments and those located in the Southeast and Southwest eat plate lunches. Prices influence participation, too. The proportion of pupils buying the complete lunch is somewhat higher when the price is 25 cents or less; the proportion drops when lunches are over 30 cents. The time allowed for lunch is also a factor. So is proximity of the school to homes and to alternative eating establishments (for pupils in secondary schools).

Expansion of the $75 million private school market will depend on finding ways to make complete lunch programs more economically feasible for the 8,300 schools not now planning them and on encouraging school administrators and other associated with the schools to add lunchroom service. Also, more students need to be encouraged to take advantage of complete plate lunches in the 5,000 schools where they are already available. *(16)*

Foods With Built-In Maid Service Give Housewives Time for Other Jobs

Back in 1918 Mrs. Jones baked her own yeast rolls and made peach preserves because it saved whole dollars on the family food bill. But today's housewife saves much less by doing her own food processing.

When she adds together the cost of the ingredients and the cost of her time, it's sometimes more profitable for her to pay a little extra for foods with built-in maid services—those that are prewashed, precut, precooked, frozen, canned or otherwise processed at the factory.

For example, the modern Mrs. Jones who bakes her own yeast rolls, even with the help of mixes and kitchen appliances, is earning less than 40 cents an hour, or about one-third of what she could earn if she were employed outside the home at the federal minimum wage rate.

Even if she doesn't have a job, the extra hours she spends in her kitchen will cost her valuable time which she might prefer to spend with her family or on leisure activities.

More job opportunities and higher wages for women, coupled with an increase in income per capita, have played a big role in increasing the demand for foods processed at the factory.

Estimates made recently by the Economic Research Service indicate that when their incomes increase, families tend to spend a greater share of the food dollar for factory processing services than they spend for the ingredient farm products.

With a 10 per cent rise in income, consumers will likely eat about 6 per cent more manufactured food products per person. The consumer will demand about 3.5 per cent more and higher quality farm food products but about 9 per cent more factory services, largely in place of home processing.

With higher incomes housewives can easily afford to spend some extra pennies to purchase foods which don't require much home processing. And they also tend to upgrade their menus to include "gourmet" items that require more factory processing.

Productivity gains in factory processing of food have gone a long way in increasing the consumption of these services. Factory operations are far more efficient than home processing. According to ERS economists, consumption rises 8 per cent as costs of factory processing decline 10 per cent. *(17)*

PRIVATE SCHOOLS	Lunch service		Milk only		No food service	
	Pupils	Schools	Pupils	Schools	Pupils	Schools
	Thousands	Number	Thousands	Number	Thousands	Number
United States total	**3,020**	**6,507**	**2,470**	**6,594**	**533**	**2,198**
Regions:						
Northeast	948	1,763	1,057	2,372	288	696
Southeast	204	652	85	392	28	283
Midwest	1,419	2,895	951	2,438	163	696
Southwest	261	718	105	479	21	196
West	187	479	272	914	33	326
Population density:						
Under 100,000	725	2,242	421	2,002	85	1,110
100,000-1,050,000	1,255	2,546	981	2,503	216	675
21 largest cities	1,040	1,720	1,068	2,089	232	414
Size of school, by enrollment						
Under 250	270	2,090	371	2,938	107	1,502
250-499	820	2,176	623	1,719	123	370
500 or more	1,929	2,242	1,476	1,937	303	326
Grades taught:						
Elementary	1,630	4,092	2,142	5,767	463	1,959
Junior and senior high	563	1,066	108	348	33	131
Other combinations	828	1,349	220	479	37	109

Figures as of March 1962.

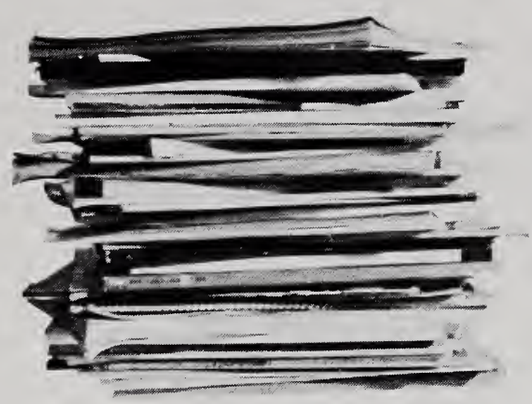
THE MICHIGAN FARM CREDIT PANEL—CASH FLOWS AND USE OF CREDIT-1961. M. E. Wirth, Farm Production Economics Division, and J. R. Brake, Michigan Agricultural Experiment Station. Mich. Agri. Expt. Sta. R. R. 8.

This report presents a composite view of the financial activities of panel farmers during 1961—financial stocks and flows, monthly cash-flow activities and individual differences among panel members.

PARTICIPANTS IN THE LAND MARKET: A PROFILE OF RENTERS, BUYERS, AND SELLERS IN LOWER MICHIGAN. M. L. Cotner, M. E. Wirth, and G. D. Irwin, Farm Production Economics Division, in cooperation with the Michigan Agricultural Experiment Station. Mich. Agri. Expt. Sta. R. R. 12.

This report attempts to answer the following questions. Which landowners in lower Michigan are providing land to expanding farms; what kind of operators are acquiring land; and do present trends foretell a change in tenure patterns? (See July 1964 Farm INDEX.)

FIBER AND SPINNING PROPERTIES OF COTTON AS AFFECTED BY CERTAIN HARVESTING AND GINNING PRACTICES: YAZOO -MISSISSIPPI DELTA, 1959-60. W. S. Calkins, Marketing Economics Division, F. E. Newtown, Agricultural Marketing Service, and A. C. Griffin, Agricultural Research Service. MRR-656.



recent publications

The following publications are issued by the Economic Research Service and cooperatively by the state universities and colleges. Unless otherwise noted, reports listed here and under Sources *are published by ERS. Single copies are available free from the Division of Information, OMS, U.S. Department of Agriculture, Washington, D.C. 20250. State publications (descriptions below include name of experiment station or university after title) may be obtained from the issuing agencies of the respective states.*

The only consistent difference between hand picked and machine picked cottons in this study was that the hand picked lots had less foreign matter and were classed higher than machine picked cottons. Fiber and spinning quality of cotton harvested by mechanical pickers (spindle type) was equal to cotton harvested by hand.

OPERATING PROCEDURES AND LABOR UTILIZATION IN COTTONSEED OIL MILLS, 1961-62 SEASON. T. B. Smith, Marketing Economics Division. ERS-179.

Since wage rates continue to move upward, this study was undertaken to determine and evaluate the operating practices and labor saving machinery in use at cottonseed oil mills.

CORN YIELD RESPONSE TO NITROGEN AND IRRIGATION IN SOUTHEAST MISSOURI, 1963. S. Stauber, Farm Production Economics Division, and F. Miller, Missouri Agricultural Experiment Station. Mo. Agr. Expt. Sta. Spec. Rpt. 39.

The experiment reported in this bulletin shows the response of corn to supplemental water applications and rates of nitrogen fertilization for soil and climate conditions in southeast Missouri.

TRUCK CROP PRODUCTION PRACTICES—SAN JOAQUIN COUNTY, CALIFORNIA. ERS-166; TRUCK CROP PRODUCTION PRACTICES—MARION COUNTY, OREGON. 2ERS-169; AND TRUCK CROP PRODUCTION PRACTICES—YAKIMA COUNTY, WASHINGTON. ERS-172. E. E. Gavett, Farm Production Economics Division.

Most truck crop operations other than land preparation are still difficult to mechanize. The high labor demands have been difficult to meet, particularly during peak periods. (See August 1964 Farm INDEX.)

Numbers in parentheses at end of stories refer to sources listed below:

1. J. R. Tompkin and F. J. Rafeld (SM); 2. P. T. Allen and V. E. Eitel, "The Quality of Farm-Mortgage Loans," Agri. Finance Review, Vol. 25 (P); 3. J. F. Gale, The Impact of the Nonfarm Sector of the Economy on Framland Values (M); 4. W. F. Hughes, Some Considerations in the Evaluation of Irrigation Systems (S); 5. E. H. Wiecking (SM); 6. F. D. Stocker (SM); 7. Farm Population, Series Census-ERS (P-27) No. 34, issued by the Bureau of the Census (P); 8. D. Williams, L. A. Jones and F. Miller, Financing Rural Homes in Missouri, Mo. Res. Bul. 857 (P); 9. N. T. Pritchard, The Federal Raisin Marketing Order (M); 10. L. U. Crockcroft, Looseleaf Tobacco Packaging Development and Marketing Test (M); 11. O. H. Goolsby, Foreign Gold and Exchange Reserves: Current Situation and Long-Term Trends, May 1964 (P); 12. Foreign Agricultural Trade, July-Aug. 1964 (P); 13. Foreign Agricultural Trade, September 1964 (P); 14. Foreign Regional Analysis Division (SM); 15. M. Kriesberg, Food Service in the Public Schools, 1962 (M); 16. M. Kriesberg, Food Service in Private Elementary and Secondary Schools, 1962 (M); 17. W. H. Waldorf, Demand for Manufactured Foods, Manufacturers' Services and Farm Products in Food Manufacturing, T. B. (M); 18. J. K. Savage (SM).

Speech (S); published report (P); unpublished manuscript (M); special material (SM).

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RURAL RECREATION ENTERPRISES IN NEW ENGLAND: INVESTMENTS, RETURNS, AND PROBLEMS. E. J. Moore, Resource Development Economics Division. AER-56.

Recreation enterprises in New England need relatively large capital outlays to provide the kind, quality and quantity of services most in demand. Also, operators require a high level of management skill to be successful.

FARM VACATION ENTERPRISES IN OHIO. J. M. Davis, Resource Development Economics Division. ERS-164.

This bulletin reports on the experiences of Ohio farm families in providing recreation facilities. Such information can be helpful to other farmers who wish to make more profitable use of their farm resources.

Co-ops Are Coming

From October 5 to 23 the Department of Agriculture will feature a special patio exhibit on how the various agencies in USDA help farmer cooperatives.

The exhibit, "Cooperatives Help USDA Programs Build America," will be accompanied by several panel discussions, a film festival and publication and information booths. A special co-op fact leaflet will be made available. *(18)*

THE FARM INDEX

CONTENTS

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